



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

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### Division of Oil, Gas and Mining

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## Technical Analysis and Findings

### Utah Coal Regulatory Program

**PID:** C0070018  
**TaskID:** 4439  
**Mine Name:** SOLDIER CANYON MINE  
**Title:** PERMIT TRANSFER

## General Contents

### Identification of Interest

#### Analysis:

Bowie Resource Holdings, LLC, a Delaware limited liability company, purchased 100% of the equity interests of Canyon Fuel Company, LLC from Arch on August 16, 2013.

As part of the permit transfer, Canyon Fuel Company, LLC has submitted General Chapter 1 updates to the ownership and control. The updates include revisions to the General Chapter 1 text identifying Bowie as the new owner. Also submitted is Figure 1-1 Organizational Chart, Table 1-1 listing Coal Mining and Reclamation Operations, Table 1-2 identifying a 3 year history of Bowie Resources, LLC, Appendix 1-1 Officers and Directors Updates and Appendix 1-2 Certificate of Liability Insurance.

The Ownership and Control updates have been added to the Applicant Violator System. No anomalies were found. An AVS entity evaluation for Canyon Fuel Company, LLC (#142816) was generated with Bowie Resource Holdings, LLC as the new owners of Canyon Fuel Company, LLC. No violations were retrieved from the system.

The information submitted meets the requirements of R645-301-112.

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### Public Notice and Comment

#### Analysis:

The public notice for Change of Ownership and Control for the Canyon Fuel Company, LLC mines was published in the Emery County Progress on November 5, 2013, the Richfield Reaper on November 6, 2013 and in the Sun Advocate on November 7, 2013.

The comment period ended on December 7, 2013. No comments were received.

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## Reclamation Plan

## Bonding and Insurance General

### Analysis:

Canyon Fuel Company, LLC has submitted surety bonds transferring the surety companies from Arch to Lexon Insurance Company as a result of the sale of Canyon Fuel Company, LLC from Arch to Bowie Resource Holdings, LLC effective August 15, 2013.

Canyon Fuel Company, LLC has also submitted (Appendix 1-2) replacement Certificates of Liability Insurance listing the insured as Canyon Fuel Company, LLC and adding Bowie Resource Partners, LLC.

The surety bonds posted with Lexon Insurance Company listed in the A.M. Best's Key Rating Guide dropped on August 30, 2013 to a B++ rating. According to R645-301-860.110-111, a surety bond must have a rating of A- or better according to the A.M. Best's Guide. Operators who do not have a surety bond with a company that meets the standards will have 120 days to achieve compliance or enforcement action. The Operators of Canyon Fuel Company, LLC were notified by Certified Mail on September 30, 2013 of Lexon's B++ rating and were given 120 days from the letter notification dated September 30, 2013 to achieve compliance or enforcement action.

A Surety Bond Rider was received by the Division on October 29, 2013. The Rider is providing Ironshore Indemnity Inc. as a full guarantee for the obligations undertaken by Lexon Insurance Company. Ironshore Indemnity Inc. has an AM Best Rating of A effective June 25, 2013. This meets the requirements of R645-301-860.110-111.

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